

Progressive banking for growing communities

August 24, 1999

Illinois Gas Company Paul Neff Roger Avery P. O. Box 596 Lawrenceville, IL 62439

Dear Paul and Roger:

OFFICIAL FILE

JAL. C. C. DOCKET NO. 3 00-0132

Tolumous Exhibit No. 4

Date 425 00 Reporter Cal

I have enjoyed the educational process I have had working with your company. Paul and I have developed a working relationship that benefits both local companies.

Below I have outlined in bullets benefits that Illinois Gas Company has had working with Community Bank & Trust and new services that will be offered in the future:

- We have worked with Paul on the overdraft protection. This allows standard bank charges on overdraft accounts to be calculated on an interest only charge. This has accumulated to a significant savings for Illinois Gas Company.
- Community Bank & Trust has continued to provide quality service in representing Illinois Gas Company customers in bill collection points. Our branches are located in each community that your company services (Richland, Lawrence and Jasper). This service is provided as a courtesy to your company. In addition, I have spoken with Paul about his goals in handling billings by ACH. This service can be offered to your customers.
- Presently, we are in the process of testing our "new" Prime Money Market account. Upon the completion of our testing, this product will be marketed to our large (over \$10,000.00) money market customers. This account will have similar characteristics as our present money market, but will have a present rate of 1.95% greater than our existing money market accounts.

I have reviewed your request for financing. Below I have outlined our proposal. These proposals are recommendations made due to current market conditions. The following rates are based on a prime rate on August 19, 1999 of 8%.

EXHIBIT

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The proposed real estate loan for \$2,200,000.00 will be amortized over a 20 year period. The rate of 8% will be fixed for 5 years.

The line of credit for \$1,000.00.00 will be a revolving note with a 20-year term. This rate can be fixed at 8% for 5 years. We will offer an annually adjusted rate of ¼ under prime. The initial adjustable contract would be for 7.75%.

The security on the loans would be cross-collateralized. The Illinois Gas Company plant and easements will need an appraisal evaluation. The titles and equipment held for security will be handled as they have been in the past. This will allow Paul easy access to secured vehicles that are purchased and traded.

It is our intention to offer Illinois Gas Company and its representatives quality products and services. In the past, we have handled loan requests on short notice, terms and agreements with special arrangements, and a working relationship that has been very positive for both companies. We appreciate the opportunity to have worked with you the past ten years and we are looking forward to continuing our business arrangements.

If you have any questions, please do not hesitate to call me at 618/395-8676.

Sincerely

Kevin Washburn Vice President

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